



## State of Connecticut

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### Testimony

Sen. Len Fasano

Insurance Committee

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### **S.B. 426 An Act Protecting Patients From Inappropriate Billing Practices.**

Senator Larson, Senator Kelly, Representative Scanlon, Representative Sampson and members of the Insurance Committee thank you for the opportunity to testify on behalf of ***S.B. 426 An Act Protecting Patients From Inappropriate Billing Practices.***

For the last several years I have had the pleasure of working in a bipartisan manner with Senator Looney and members of this committee, the Public Health Committee and others on health care legislation designed to maintain a competitive health care market, increase price transparency, and protect consumers from certain hospital facility fees and other unfair billing practices.

P.A. 15-146 addressed many of these concerns and has proven to be a model for other states on a number of issues, including the subject of S.B. 426, surprise out of network medical bills. While narrower networks and high deductible plans have a place in controlling costs and providing consumer choice, when applied across a fragmented delivery system, they can leave consumers facing unexpected bills for care delivered by out of network providers.

Luckily, we addressed some of the most common causes of surprise medical bills in P.A. 15-146. Specifically, P.A. 15-146 protected consumers from surprise out of network bills for care provided in an emergency room or at an in network hospital. Now, when an individual is treated in any emergency room in the state, they do not have to worry about facing excessive out of pocket costs if certain doctors were not "in-network." Similarly, if an insured schedules a procedure at an in network hospital, but, unbeknownst to them, an out of network doctor performs certain services, such as anesthesia, the insured is also protected from extraordinary out of pocket costs and billing. Thus, consumers here are not facing the proliferation of potentially bankrupting out of network hospital bills that other states are seeing.

While protecting consumers in these situations, P.A. 15-146 also provided a framework for ensuring that providers are compensated fairly for their services. It is my understanding that this framework has been working well for providers and insurers.

S.B. 426 is intended to provide a vehicle to discuss other situations which can give rise to surprise out of network bills and other possible measures to make it easier for insureds to stay in network or be alerted to a provider's network status and make a meaningful choice.

For example, in the course of or following a procedure at an in network hospital or facility blood work, images or other follow up testing or services may be referred out by the facility with no involvement by the patient. Some of these referrals could be to out of network providers and made without the insured's knowledge. The same rationale applied in P.A. 15-146 would apply here in that, where an insured does everything right and schedules a procedure at an in network facility, yet that facility refers out certain services to an out of network provider, the consumer should be held harmless.

One of the causes of out of network bills is the accuracy, or inaccuracy, of provider directories as well as the failure to obtain an insured's consent to out of network services. Some states, such as California and Texas have tried to improve the accuracy and utility of provider directories by establishing standards, such as the federal standards for marketplace plans, together with auditing and penalties for noncompliance, and by requiring hospitals to report to the state and health plans regarding the network status of their physicians. Ensuring accurate provider directories that can be used by insureds to avoid surprise out of network services and bills should be a shared responsibility.

In addition, an insured's consent to out of network services must be both voluntary and knowing. For example, a patient in the throes of labor may not be in the best position to consent to out of network services.

These are the kinds of issues I would like to discuss and possibly address in S.B. 426. I want to thank you again for the opportunity to testify, and I look forward to working with you on this issue.

Len Fasano  
Senate Republican President Pro Tempore